



Media Releases

6 April 2016

Christchurch car finance company to repay customers

The Commerce Commission has reached a settlement with motor vehicle lender, Dealer Finance Limited (Dealer Finance), to pay back or credit at least \$440,000 to customers who were overcharged interest on their loans from 2005.

Dealer Finance is owned by a group of Christchurch car dealers. It provides finance to borrowers under [consumer](#) credit contracts so that they can buy motor vehicles.

The Commission's investigation found that Dealer Finance breached the Credit Contracts and Consumer Finance Act 2003 (CCCFA) because it did not credit borrowers' accelerated or lump sum payments to their loan as soon as practicable. As a consequence, customers were charged interest on an incorrect unpaid balance. Around 5,800 loans were affected.

Auckland Consumer Manager John Lyall said, "All lenders should be aware of their legal responsibilities when offering consumer credit contracts to borrowers. Calculating interest is part of the core business of lenders and we expect them to get it right."

"However, in this instance Dealer Finance accepted it had breached the law and it has taken steps to fix the problem and has agreed to provide compensation to affected customers."

Dealer Finance has already adjusted the current loans affected and it is working on contacting people who have paid off their loans and who were overcharged \$200 or more. It has also agreed to refund other affected customers who contact them and provide necessary details.

You may be eligible for a refund if you had a loan through Dealer Finance or one of the car dealers listed below between April 2005 and April 2015, and you made accelerated or lump sum payments. If you have a current loan with Dealer Finance your loan balance should have already been adjusted with any refunds.

If you think you might be entitled to a refund and haven't been contacted by Dealer Finance you can email them at enquiries@dfi.co.nz.

Background

The settlement agreement with Dealer Finance Limited is available on our [Enforcement Response Register](#).

Affected dealers

TRUST CARS/ CARTEL CARS	464 Ferry Road	Christchurch
73 Moorhouse Avenue Ltd	73 Moorhouse Avenue	Christchurch
Adams Bardsley Cars Ltd	130 Ferry Road	Christchurch
Affordable Caravans Limited	512 Blenheim Road	Christchurch
Austin Motor Company Limited	275 Colombo Street	Christchurch
Auto Parts Ltd T/a Auto International	240 Litchfield Street	Christchurch
Blackadder Motors (2004) Ltd	200 Ensors Road	Christchurch
Car City Christchurch Limited	206 Ferry Road	Christchurch
Car City Christchurch Ltd No 2	206 Ferry Road	Christchurch
Carey Motors	185 Ferry Road	Christchurch
Cars 2 Go	260 Ferry Road	Christchurch
Chantilly Holdings Limited	200 Ensors Road	Christchurch
Cheyenne Wholesale Limited	20 Bucknell Street	Christchurch
Dennis Tullett Motors Ltd	422D Hereford Street	Christchurch
Economy Cars Limited	538 Moorhouse Avenue	Christchurch
First Class Cars & Commercial	12 Aldwins Road	Christchurch
Forsyth Motors	213 Main South Road	Christchurch
Gardner Cars	3 Moorhouse Avenue	Christchurch
Great Cars/The Car Bazaar 1 Ltd	Unit 3 1030 Ferry Road	Christchurch
John Sergel Cars Limited	265 Colombo Street	Christchurch
Johnston Motor Company Limited	213 Main South Road	Christchurch
Lifestyle Marine Limited	129 North Avon Road	Christchurch
Mecca Motors Limited	534 Moorhouse Avenue	Christchurch
Milligan Cars Limited (No 2)	69 Moorhouse Avenue	Christchurch
Moorhouse Express Limited T/A Car City Christchurch	206 Ferry Road	Christchurch

Motor Home Centre	449 Ferry Road	Christchurch
Nigel Thompson Motor Company Limited	175 Ferry Road	Christchurch
NZ Classic Cars T/A Neat Cars	301 Main South Road	Christchurch
Peter Keech Motors Ltd	208 Waltham Road	Christchurch
R B McGregor Limited	219 Waltham Road	Christchurch
R J Norman Investments Ltd T/A Ross McGregor Motors	219 Waltham Road	Christchurch
Riccarton Car Sales Ltd	134 Ferry Road	Christchurch
Rob Donaldson Cars	504 Moorhouse Avenue	Christchurch
Rob Lewis Motor Company	541 Moorhouse Avenue	Christchurch
Rutherford Cars No 2	31 Moorhouse Avenue	Christchurch
Simons Wholesale Ltd	20 Fitzgerald Avenue	Christchurch
Stadium Cars Limited	564 Moorhouse Avenue	Christchurch
Sun City Motors	2 Appleby Highway	NELSON
The Car Bazaar (No 3)	550 Moorhouse Avenue	Christchurch
Trade In Centre Ltd	200 Ferry Road	Christchurch
Waterview Cars - The Car Bazaar 4	Unit 3/1030 Ferry Road	Christchurch
Wayne Hill Motors Limited	313 Lincoln Road	Christchurch
Wayne Timms Motor Court Ltd	37 Formans Road	Christchurch

Relates to: Consumer Credit

© Commerce Commission 2016